

EXHIBIT 1

Confidential - Attorneys' Eyes Only

Transcript of Carson Smith
Conducted on August 21, 2024

1 (1 to 4)

<p>1 UNITED STATES DISTRICT COURT</p> <p>2 WESTERN DISTRICT OF TEXAS</p> <p>3 WACO DIVISION</p> <p>4 SBI CRYPTO CO., LTD.,)</p> <p>5 Plaintiff,)</p> <p>6 VS) CIVIL ACTION NO.</p> <p>7 WHINSTONE US, INC.,) 6:23-cv-252-ADA-JCM</p> <p>8 Defendant.)</p> <p>9 *****</p> <p>10 VIDEOTAPED DEPOSITION OF</p> <p>11 CARSON SMITH</p> <p>12 August 21, 2024</p> <p>13 CONFIDENTIAL - ATTORNEYS' EYES ONLY</p> <p>14 *****</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22 Job No. 546220</p> <p>23 Pages 1 - 371</p> <p>24 Stenographically Reported by:</p> <p>25 Susan S. Klinger, RMR-CRR, CSR</p>	<p>1 A P P E A R A N C E S</p> <p>2 ON BEHALF OF THE PLAINTIFF:</p> <p>3 Cory Johnson, Esquire</p> <p>4 Joshua Sandler, Esquire (Via Zoom)</p> <p>5 WINSTEAD PC</p> <p>6 2728 North Harwood Street, Suite 500</p> <p>7 Dallas, Texas 75201</p> <p>8 214.745.5400</p> <p>9 ON BEHALF OF THE DEFENDANT:</p> <p>10 Robert T. Slovak, Esquire</p> <p>11 Brandon C. Marx, Esquire</p> <p>12 FOLEY & LARDNER LLP</p> <p>13 2021 McKinney Avenue, Suite 1600</p> <p>14 Dallas, Texas 75201</p> <p>15 214.999.3000</p> <p>16 ON BEHALF OF THE WITNESS:</p> <p>17 K. Reed Mayo, Esquire</p> <p>18 REED MAYO LAW FIRM, P.C.</p> <p>19 4604 Berrywood Road</p> <p>20 Virginia Beach, Virginia 23464</p> <p>21 757.621.2216</p> <p>22 Also Present:</p> <p>23 Patrick Wooding, Esquire - Whinstone</p> <p>24 Nicholas Vitalis - SBI Crypto</p> <p>25 Jesse Castro, videographer</p>
<p>1 August 21, 2024</p> <p>2</p> <p>3</p> <p>4 VIDEOTAPED DEPOSITION OF CARSON SMITH, produced</p> <p>5 as a witness at the instance of the Defendant, and</p> <p>6 duly sworn, was taken in the above-styled and</p> <p>7 numbered cause on the 21st of August, 2024, from</p> <p>8 9:08 a.m. to 7:05 p.m., before Susan S. Klinger,</p> <p>9 RMR-CRR, CSR in and for the States of Texas and</p> <p>10 California, reported by stenographic method, at Winstead,</p> <p>11 2728 North Harwood, Suite 500, Dallas, Texas, pursuant</p> <p>12 to the Federal Rules of Civil Procedure and the</p> <p>13 provisions stated on the record or attached hereto.</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 I N D E X</p> <p>2</p> <p>3 WITNESS PAGE</p> <p>4 CARSON SMITH</p> <p>5 EXAMINATION BY MR. SLOVAK 7</p> <p>6</p> <p>7 E X H I B I T S</p> <p>8 No. Description</p> <p>9 Exhibit 20 Email, SBIC0000900 105</p> <p>10 Exhibit 21 Canaan invoice, SBIC0003267 110</p> <p>11 Exhibit 22 Messages, SBIC0005860 117</p> <p>12 Exhibit 23 Messages, SBIC0005573 216</p> <p>13 Exhibit 24 Email, SBIC0000026 239</p> <p>14 Exhibit 25 Messages, SBIC0005892 247</p> <p>15 Exhibit 26 Visit notes, SBIC0003777 289</p> <p>16 Exhibit 27 Balance Sheet, SBIC0005819 319</p> <p>17 Exhibit 28 Excel columns 323</p> <p>18</p> <p>19 Previously marked</p> <p>20 Exhibit 1 Plaintiff's Amended Complaint 126</p> <p>21 Exhibit 2 Hosting Service Agreement, 136</p> <p>22 SBIC0003447</p> <p>23 Exhibit 4 International Sales Contract, 134</p> <p>24 SBIC0003153</p> <p>25 Exhibit 5 Email, SBIC0003245</p>

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2 (5 to 8)

5	<p>1 Exhibit 6 Hosting Service Agreement, 187</p> <p>2 SBIC0003883</p> <p>3 Exhibit 7 Whinstone Trip Report, 78</p> <p>4 SBIC0005782</p> <p>5 Exhibit 8 Email, SBIC0002069 261</p> <p>6 Exhibit 9 Email, SBIC0000149 271</p> <p>7 Exhibit 10 Email, SBIC0002873 340</p> <p>8 Exhibit 12 Email, SBIC0001267 309</p> <p>9 Exhibit 13 Email, SBIC0000393 181</p> <p>10 Exhibit 18 Email, SBIC0000068 350</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	7	<p>1 VIDEOGRAPHER: The court reporter today is</p> <p>2 Susan Klinger, also representing Planet Depos.</p> <p>3 The witness may now be sworn.</p> <p>4 CARSON SMITH,</p> <p>5 having been first duly sworn testified as follows:</p> <p>6 EXAMINATION</p> <p>7 BY MR. SLOVAK:</p> <p>8 Q Good morning, Mr. Smith. How are you?</p> <p>9 A Good morning.</p> <p>10 Q My name is Rob Slovak, and as you know, I</p> <p>11 represent Whinstone. You are aware that there is</p> <p>12 a lawsuit that exists between SBI Crypto Limited</p> <p>13 and Whinstone US, Inc.?</p> <p>14 A Yes.</p> <p>15 Q Okay. And were you -- let me start here.</p> <p>16 Have you been deposed before?</p> <p>17 A No, I have not been deposed.</p> <p>18 Q Okay. So I'm going to ask questions. The</p> <p>19 court reporter is going to try to take down</p> <p>20 everything that I say. She also is going to try</p> <p>21 to take down everything that you say.</p> <p>22 So if we can have an agreement not to talk</p> <p>23 over one another, I will try to allow you to</p> <p>24 finish your answer if you will allow me to finish</p> <p>25 my question so she gets everything on the record.</p>
6	<p>1 PROCEEDINGS</p> <p>2 VIDEOGRAPHER: Here begins Media Number 1</p> <p>3 in the videotaped deposition of Carson Smith in</p> <p>4 the matter of SBI Crypto Co., Ltd. v. Whinstone</p> <p>5 US, Inc. in the United States District Court for</p> <p>6 the Western District of Texas, Waco Division, Case</p> <p>7 Number 6:23-CV-252-ADA-JCM.</p> <p>8 Today's date is August 21st, 2024. The</p> <p>9 time on the video monitor is 9:09 a.m. The</p> <p>10 videographer is Jesse Castro representing Planet</p> <p>11 Depos. This video deposition is taking place at</p> <p>12 2728 North Harwood Street, Suite 500, Dallas,</p> <p>13 Texas 75201.</p> <p>14 Would counsel please voice-identify</p> <p>15 themselves and state whom they represent?</p> <p>16 MR. SLOVAK: Rob Slovak, along with</p> <p>17 Brandon Marx of Foley & Lardner on behalf of</p> <p>18 Whinstone US, Inc. Also with us is our in-house</p> <p>19 lawyer, Patrick Wooding.</p> <p>20 MR. MAYO: Reed Mayo on behalf of the</p> <p>21 witness, Carson Blake Smith.</p> <p>22 MR. JOHNSON: Cory Johnson and Josh</p> <p>23 Sandler via Zoom from Winstead here on behalf of</p> <p>24 the plaintiff, SBI Crypto, along with SBI Crypto's</p> <p>25 CEO, Nicholas Vitalis.</p>	8	<p>1 Can we have that agreement?</p> <p>2 A Okay.</p> <p>3 Q And if at any point in time today you</p> <p>4 don't understand what I'm asking or the question</p> <p>5 is not clear, just please ask me to clarify. If</p> <p>6 you answer the question without asking for</p> <p>7 clarification, we will understand -- we will</p> <p>8 assume that you understood it. Can we agree to</p> <p>9 that?</p> <p>10 A Can you repeat the last part one more</p> <p>11 time?</p> <p>12 Q Sure. If I ask a question that you don't</p> <p>13 understand and you answer it, I will assume that</p> <p>14 you understood it unless you tell me otherwise.</p> <p>15 A Okay, okay.</p> <p>16 Q Are you under -- are you on any</p> <p>17 medications or do you have any physical issues</p> <p>18 that would interfere with your ability to answer</p> <p>19 questions here today truthfully and accurately?</p> <p>20 A No.</p> <p>21 Q And you understand that you are under</p> <p>22 oath?</p> <p>23 A Yes.</p> <p>24 Q Okay. Just like you would be in a court</p> <p>25 of law testifying before a judge or a jury. Do</p>

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8 (29 to 32)

<p>29</p> <p>1 A No, I don't think I have.</p> <p>2 Q About any of the operations at Rockdale?</p> <p>3 A No.</p> <p>4 Q The communications -- the Gmail</p> <p>5 communications that you had with Mr. Tanemori</p> <p>6 about this lawsuit, were any attorneys copied on</p> <p>7 those emails?</p> <p>8 A Yes --</p> <p>9 Q Okay. Which ones?</p> <p>10 A -- they were copied. Cory or Matt Hines</p> <p>11 would be copied.</p> <p>12 Q Were those emails at their direction?</p> <p>13 MR. JOHNSON: Objection, form.</p> <p>14 A All emails, they were not necessarily at</p> <p>15 their direction, no.</p> <p>16 Q Well, let me ask, does Winstead represent</p> <p>17 you?</p> <p>18 A Winstead does represent me, and they</p> <p>19 represent SBI Crypto.</p> <p>20 Q When did you retain Winstead?</p> <p>21 A For -- I don't remember the exact date.</p> <p>22 Q Do you have a written engagement agreement</p> <p>23 with Winstead?</p> <p>24 A There is a written agreement.</p> <p>25 Q Okay. And do you have a copy of that</p>	<p>31</p> <p>1 A I can't remember when it was.</p> <p>2 Q How long did it last?</p> <p>3 A 15, 30 minutes, if that.</p> <p>4 Q Were any documents reviewed?</p> <p>5 A A document of reviewing for the format of</p> <p>6 a deposition.</p> <p>7 Q Okay. You mean like a video or --</p> <p>8 A No.</p> <p>9 Q Okay. And so other than -- by the way,</p> <p>10 are you anticipating that SBI will be compensating</p> <p>11 you for the time that you met with Mr. Mayo to</p> <p>12 prepare for the deposition as well?</p> <p>13 A No, I'm not.</p> <p>14 Q Have you been engaged by SBI to serve as</p> <p>15 an expert witness in this case?</p> <p>16 A I have not.</p> <p>17 Q Okay. Do you intend to do so?</p> <p>18 A Currently I do not.</p> <p>19 Q Okay. Have you undertaken any analysis of</p> <p>20 any kind to formulate any expert opinions related</p> <p>21 to any issues in this lawsuit?</p> <p>22 MR. JOHNSON: Objection, form.</p> <p>23 A I have formulated my own opinions.</p> <p>24 Q Okay. And that is fine. We can talk</p> <p>25 about those, but I guess my question is, have</p>
<p>30</p> <p>1 agreement?</p> <p>2 A Winstead should have a copy.</p> <p>3 Q Okay. Do you recall when that agreement</p> <p>4 was reached?</p> <p>5 MR. JOHNSON: Objection, form.</p> <p>6 A No, I don't.</p> <p>7 Q And you also have a personal attorney</p> <p>8 here, Mr. Mayo, right?</p> <p>9 A Yes.</p> <p>10 Q And why do you have a personal attorney as</p> <p>11 well?</p> <p>12 MR. JOHNSON: Objection, form.</p> <p>13 MR. MAYO: Objection.</p> <p>14 Q You can answer. It is okay.</p> <p>15 A Because just I want to have a personal</p> <p>16 attorney.</p> <p>17 Q Okay. And did you -- in order to prepare</p> <p>18 for this deposition, did you also have meetings</p> <p>19 with Mr. Mayo?</p> <p>20 A For preparation?</p> <p>21 Q Yes, sir.</p> <p>22 A There was one related discussion for that.</p> <p>23 Q Okay. And I don't want to know about the</p> <p>24 content of the discussion, but when did that take</p> <p>25 place?</p>	<p>32</p> <p>1 you -- have you been asked by SBI to provide</p> <p>2 expert opinions of any kind in connection with</p> <p>3 this lawsuit?</p> <p>4 A I have not been contracted to provide</p> <p>5 expert opinions and expert witness.</p> <p>6 Q Okay. And have you undertaken any efforts</p> <p>7 to perform a damages analysis associated with this</p> <p>8 lawsuit?</p> <p>9 A Yes, I have.</p> <p>10 Q Why?</p> <p>11 A Just because I originally performed the</p> <p>12 damage analysis at the beginning of the lawsuit</p> <p>13 and to run those numbers and to evaluate and</p> <p>14 perform my own analysis. I did that.</p> <p>15 Q Okay. Who asked you to prepare that</p> <p>16 analysis?</p> <p>17 A I originally performed the analysis of my</p> <p>18 own will.</p> <p>19 Q Well, you did one recently as well, right?</p> <p>20 A Yes.</p> <p>21 Q Okay. And why?</p> <p>22 A That was of my own accord, because the</p> <p>23 full analysis -- the previous analysis didn't</p> <p>24 include some variables that I had done previously.</p> <p>25 Q What variables were those?</p>

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93 (369 to 372)

<p>369</p> <p>1 answer the next time you ask this question. Go 2 ahead and answer this question for the fifth time. 3 You can answer. 4 A Please ask the question again. 5 Q I mean -- 6 MR. SLOVAK: Read it back. 7 (Record read.) 8 MR. JOHNSON: Objection, asked and 9 answered. 10 A I did ultimately disclose to them at a 11 later date that we intended to open legal action 12 to them. 13 Q Before they paid you, did you disclose it 14 to them? 15 A Before they paid what? 16 Q Before they paid you the amount that 17 you-all squared up in March of 2022 for 18 outstanding invoices and issues between the 19 parties, did you disclose to them before that 20 happened that you intended to sue them? 21 A I don't remember disclosing to them 22 consideration to do so. 23 MR. SLOVAK: Nothing further. 24 MR. JOHNSON: All right. The plaintiff 25 reserves all questions for this witness at trial.</p>	<p>371</p> <p>1 CERTIFICATE OF SHORTHAND REPORTER 2 3 I, Susan S. Klinger, the officer before 4 whom the foregoing deposition was taken, do hereby 5 certify that the foregoing transcript is a true 6 and correct record of the testimony given; that 7 said testimony was taken by me stenographically 8 and thereafter reduced to typewriting under my 9 direction; that reading and signing was 10 requested; and that I am neither counsel for, 11 related to, nor employed by any of the parties to 12 this case and have no interest, financial or 13 otherwise in its outcome. 14 Time on the record: 15 Mr. Slovak: 7:30 16 IN WITNESS WHEREOF, I have herunto set my 17 hand on the 2nd of September, 2024. 18 19  20 21 Susan S. Klinger, RMR-CRR, CSR 22 Texas CSR 6531, Exp: 10/23/25 23 California CSR 14487, Exp: 11/30/24 24 25</p>
<p>370</p> <p>1 We want to read and sign. 2 I will also be designating certain 3 portions -- reserve the right to designate certain 4 portions of this deposition as confidential, 5 confidential, attorneys' eyes only, pursuant to 6 the provisions provided in the protective order. 7 VIDEOGRAPHER: This concludes the 8 deposition of Carson Smith. The time on the 9 monitor is 7:05 p.m. 10 (Deposition adjourned at 7:05 p.m.) 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	